

**Financial Management  
Support Annex  
Colorado State Emergency Operations Plan**

**Lead Agency: Department of Local Affairs**

**Supporting Departments/Agencies:** Personnel and Administration Division of Finance & Procurement, Regulatory Agencies, Revenue, Office of Budget & Management

**I. PURPOSE**

The Financial Management Support Annex provides basic financial management guidance to state departments and political subdivisions responding to and recovering from disasters. The intent is to ensure funds are provided and financial operations are conducted in accordance with established state statutes, policies, and standards.

**II. SCOPE**

This annex is applicable to all state agencies and political subdivisions that may apply and/or receive federal or state disaster assistance or emergency/disaster relief funding.

**III. SITUATIONS**

- A. Disasters have an immediate impact on local and state resources resulting in shortages requiring the unplanned expenditure of funds by local and state governments. In addition, coordination may be required between state and federal organizations to administer the various funding programs designed to assist disaster victims.
- B. Financial operations will be carried out under extreme emergency/disaster schedules and political pressures, necessitating timely, non-routine procedures with sound financial management practices and accountability.
- C. The incident may result in a Presidential Declaration of Major Disaster or Emergency thus permitting supplemental response and recovery funding from FEMA.
- D. The Governor's Office and State Legislature may consider and give timely approval for funds needed to sustain emergency response operations. As response and recovery operations proceed, estimates will be gathered and additional emergency/disaster appropriations will be investigated.
- E. There are many other federal grants awarded during emergencies coordinated by other state organizations with their federal peers under

separate rules and procedures. State agencies will pre-identify funds and programs available from federal peers that may be applied during disasters. DOLA/DEM will coordinate and exchange information with these organizations in order to develop a comprehensive overview of state finance activities for emergency response and recovery.

#### **IV. ASSUMPTIONS**

- A. Local governments are responsible for first response to emergencies affecting their jurisdictions including the application of fiscal procedures and remedies designed to be used during local emergencies.
- B. The State may provide additional funding to cover state and local emergency expenses based upon a case-by-case determination.
- C. The state will follow federal circulars, programmatic and reporting requirements when federal funding grants are designated for Colorado.
- D. Other state agencies receive sources of emergency funding from their federal peer organizations. These agencies will provide DOLA/DEM with reports of their ongoing costs and emergency finance activities in order to coordinate resources.
- E. Federal assistance through the Federal Emergency Management Agency (FEMA) is available to Colorado after a Presidential Disaster Declaration has been issued and a FEMA/State Agreement has been signed.

#### **V. CONCEPT OF OPERATIONS**

- A. After the occurrence of an event resulting in a declared emergency/disaster, DOLA/DEM may use some or all of the ESFs. If the DOLA/DEM Director believes state assistance might be necessary, advanced liaison elements will be activated.
- B. If county government determines state assistance is necessary, they should declare an emergency.
- C. The first priority actions are to assess the situation to determine the need for a Gubernatorial Declaration. ESFs may be tasked to assist DEM in Preliminary Damage Assessment activities.
- D. The primary and support organizations act as a team to address emergency finance issues. DOLA/DEM acts as the lead in the coordination of emergency finance information and in facilitation with other state agencies on the state share and related budgetary concerns.

- E. DOLA/DEM acts as a coordinator of emergency finance information and in facilitation with local governments on related budgetary concerns.
- F. The DEM Fiscal Officer may form a Finance Team composed of the State PA Officer, Director of the Local Government Division, and other agencies as needed to coordinate fiscal activities related to the emergency.
- G. A grantee/sub-grantee relationship is setup with the development of the FEMA/State Agreement following a Presidential Disaster Declaration with attendant rules and procedures.
- H. Every effort will be made during an emergency to ensure all finance organizations on the federal, state and local levels maintain consistent and timely communication and coordination with one another in order to ensure adequate funding is available to disaster victims. Comparable organizations are based upon the services they provide during an emergency.

## **VI. ORGANIZATION AND ASSIGNMENT OF RESPONSIBILITIES**

The following organizations have these specific emergency responsibilities with respect to resource support.

- A. DOLA -Division of Emergency Management & Division of Local Government
  - 1. The DEM Fiscal Officer is responsible for activating this annex.
  - 2. Coordinate with the Governor and applicable state agencies to determine and provide for the state share required in a federally-declared emergency.
  - 3. Establish standard operating procedures applicable to the internal conduct and oversight of acquisitions and financial transactions.
  - 4. Gather information on total disaster costs.
  - 5. Notify support agencies for activation
  - 6. Notify the Finance Team as needed.
  - 7. Provide oversight as grantee for FEMA disaster assistance grants.
  - 8. Provide recommendations and expertise to JBC, legislators, the Governor's Office and other state agencies.
  - 9. Track programs coordinated by other state agencies for disaster response and recovery.
  - 10. Process disaster cost information for ESF #5, the Incident Commander and the Recovery Team.
  - 11. Coordinate/facilitate with local governments on cost recovery and total cost of disaster information.

12. State PA officer will coordinate with FEMA for finance concerns when the federal government is activated for emergency response and recovery operations in Colorado.
13. DOLA/DEM will request supplemental financial assistance for specific missions from FEMA when state and local finances are inadequate to address emergency needs.

**B. Other state agencies**

1. State agencies and political subdivisions conducting activities under this plan, for which state reimbursement may be requested, must organize their operations to provide financial documentation in support of their emergency response and recovery activities to DOLA.
2. Governor's Office  
  
Coordinate with federal elected officials in order to identify and obtain additional disaster funding.
3. Auditor of State  
  
Provide support and guidance to local auditors during the emergency.
4. Department of Public Health and Environment  
  
Coordinate emergency grant and program information with DEM, county commissioners and other local health providers.
5. State agencies not listed will  
  
Coordinate emergency grant and program information with DEM.

**VII. REQUIREMENTS FOR THE FINANCIAL MANAGEMENT ANNEX**

- A. Each agency is responsible for establishing administrative controls of funds and segregation of duties for proper internal controls. Each agency should ensure actions taken and costs incurred are consistent with missions identified.
- B. Each agency is responsible for providing own financial services and support to its response operations in the field.

- C. After the state agencies and political subdivisions begin their initial response operations, it may be necessary to make an estimate of the total funding needs for the duration of the emergency response.
- D. Applicants requesting reimbursement will maintain all financial records, supporting documents, statistical records and other records pertinent to the provision of services or use of resources by that agency. These materials must be accessible to authorized representatives for the purpose of making audits, excerpts and transcripts.